Tina Rawls got from Ted Cubbison from Israeli desk re: discrepancy in amt. claimed.

DEPARTMENT OF STATE

Washington, D.C. 20520

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CONFIDENTIAL

July 11, 1980

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REVIEWED BY Wm. Kelley DATE 1/24/83

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RELEASE

BA OF FOI EXEMPTIONS

Rec'd L/A JUL 11 1980

Richard T. Gaskill
Rear Admiral, U.S. Navy
Director, Politico-Military
Policy and Current Plans
Division
Department of the Navy
Office of the Chief of Naval Operations
Washington, D.C. 20350

Dear Admiral Gaskill:

Since your letter to me of February 13, we have continued our consultations with the Department of the Navy and the Department of the Treasury to prepare for the opening of negotiations with the Government of Israel for compensation for the physical damage to the U.S.S. Liberty. In this connection, we need the Navy Department's assistance with two related issues that have arisen in the course of our preparations.

I have attached copies of the Navy damage estimates of September 1, 1967 and December 5, 1967, which total $7,494,900. I have also attached a copy of the diplomatic note of July 1, 1968, in which we formally presented to the Government of Israel our damage claim for $7,644,146. The discrepancy of $149,246 between these two figures is relatively small, but in the interest of consistency in our approach to the GOI it is important that we determine how the larger figure was derived. It should be noted that recent books and media reports about the Liberty case cite the $7.6 million figure. We need to ask, therefore, that Navy review its records and provide a justification for the larger amount of estimated damages.

A related issue is the need to provide a detailed explanation to the GOI of the methodology used in reaching the damage estimate, once actual negotiations begin. It will be important for Treasury and Navy to be represented on the U.S. negotiating team to demonstrate to the GOI the unity of the USG position, but it will be equally important to justify the damage estimate made in 1967,

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since it is the basis for the U.S. position. We therefore request that Navy make available to participate in the negotiations an officer with sufficient technical background and expertise in the field of damage estimation to be able to explain in detail and justify the damage estimate. As you may know, the negotiations are planned to take place in Washington so the Navy personnel assigned here who participate will not incur travel or lodging expenses. We anticipate only one or two initial negotiating sessions but the talks may stretch over a prolonged period before concluding. Considerable advance preparation of our justification for the figure cited in 1968 for the damage claim will be necessary.

Since we expect to be in a position to open talks with the Israelis within the next few weeks, we hope the Department of the Navy can give the above requests priority attention.

Sincerely,

David A. Korn
Director
Office of Israel and
Arab-Israeli Affairs

Enclosures:

1. Damage estimates, two.
2. Diplomatic note.

DRAFTED BY: NEA/IAI:ECubbison:smb
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